

## Message Text

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14-11

ACTION EB-04

INFO OCT-01 ISO-00 EUR-03 SS-04 NSC-04 NSCE-00 INR-01

CIAE-00 TRSE-01 FRB-01 /019 W  
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R 161834Z APR 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0279

C O N F I D E N T I A L LONDON 05784

LIMDIS GREENBACK

DEPARTMENT PASS TREASURY AND FRB

E.O. 11652: XGDS-1

TAGS: EFIN, UK

SUBJECT: U.K. GOVERNMENT EXPLORING ANOTHER MAJOR EURO-  
CURRENCY BORROWING

1. FINANCIAL ATTACHE, DURING ONE OF HIS PERIODIC CONVERSATIONS WITH SENIOR REPRESENTATIVE OF A MAJOR U.K. CLEARING BANK, ASKED UNDER WHAT RATES AND MATURITIES H.M. GOVERNMENT MIGHT POSSIBLY MAKE ANOTHER MAJOR BORROWING FROM THE EURODOLLAR OR EUROCURRENCY MARKETS. SENIOR OFFICIAL OF THE MAJOR CLEARING BANK INVOLVED APOLOGIZED, SAID HE COULD NOT OFFER AN OPINION ON MORAL AND POSSIBLY LEGAL GROUNDS. WHEN PRESSED TO EXPLAIN, HE SAID "IN EXTREME CONFIDENCE" BANK OF ENGLAND HAD RECENTLY PUT THE SAME QUESTION TO HIM, AND A MAJOR OPERATION MAY BE IN THE PIPELINE. WHETHER OR NOT INITIATIVE ACHIEVES FRUITION REMAINS TO BE SEEN, BUT IT IS BEING SERIOUSLY EXPLORED.

2. DURING CONVERSATION, OFFICIAL SAID HIS BANK, IN ADDITION TO RECEIVING SUBSTANTIAL SHORT-TERM ARAB OPEC FUNDS, IS ALSO TAKING SUBSTANTIAL DEPOSITS FROM SAME SOURCE WITH UP TO FIVE YEAR MATURITIES. HE WOULD NOT QUANTIFY RATES OR CURRENCIES BEING OFFERED, BUT STRESSED THAT NO SPECIAL INCENTIVES WERE BEING OFFERED FOR THE LONG-TERM FUNDS,  
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IN CONTEXT OF CONVERSATION, THE LONG-TERM DEPOSITS ARE BOTH IN STERLING AND DOLLARS.

SPIERS

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANK LOANS, EURODOLLAR MARKET, BANK RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 APR 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** WorrelSW  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LONDON05784  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** X1  
**Errors:** N/A  
**Film Number:** D750134-0095  
**From:** LONDON  
**Handling Restrictions:** n/a  
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**Legacy Key:** link1975/newtext/t19750446/aaaabraz.tel  
**Line Count:** 63  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** WorrelSW  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 JUN 2003 by ShawDG>; APPROVED <04 NOV 2003 by WorrelSW>  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** U.K. GOVERNMENT EXPLORING ANOTHER MAJOR EURO- CURRENCY BORROWING  
**TAGS:** EFIN, UK  
**To:** STATE  
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